

FISCAL NOTE

SB 2158 - HB 2381

February 2, 1998

SUMMARY OF BILL: Removes unemployment benefit charges accruing after July 1, 1998 from the account of an employer, if the claimant who received the benefits was a primary wage earner and was receiving welfare benefits in the quarter or immediate preceding quarter and the employer paid wages no more than \$3,000. Creates a Class E felony for discharging claimants to remove benefit charges, with a penalty of not less than one year nor more than six years and a fine not to exceed \$3,000.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$2,190/Incarceration*

**Other Fiscal Impact - Decrease Revenue - Not Significant/
Unemployment Insurance Trust Fund**

Assumes one Class E felony conviction every other year.

The Department of Employment Security has stated that provisions of this bill may place the department out of conformity with federal statute and could jeopardize the 5.4% FUTA tax credit received by Tennessee employers.

**Section 9-6-119, TCA, requires that: For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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